



Sean Rogan
Executive Director

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of the County of Los Angeles**

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ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

March 06, 2012

1-H March 6, 2012

The Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**AUTHORIZE USE OF HOUSING AUTHORITY ADMINISTRATIVE FUNDS TO PROVIDE LEASED
VEHICLES WITH A FULL MAINTENANCE SERVICE PROGRAM
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends authorizing the use of up to \$1,450,000 in Housing Authority administrative funds for a five-year lease contract with Enterprise Fleet Management (Enterprise), which will be executed by the Community Development Commission (Commission) on behalf of the Housing Authority. The contract will provide 61 new leased vehicles agency wide and a full maintenance service program for those vehicles, as well as a maintenance program for 17 existing vehicles being retained by the Commission. This letter relates to an item on the agenda of the Community Development Commission for approval of the contract.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Executive Director to use up to \$1,450,000 in Housing Authority administrative funds to fund a five-year contract with Enterprise, which will be executed by the Commission on behalf of the Housing Authority, to provide leased vehicles and a full maintenance service program.
2. Find that the approval of this funding is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action is not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to authorize the use of funds to provide leased vehicles with a full maintenance service program for Commission and Housing Authority staff.

On March 9, 2010, the Board approved a similar agreement with Enterprise for the lease of five vehicles to be used for the Section 8 inspectors in Lancaster as a pilot program. This program has proven successful, and when implemented agency-wide, will significantly reduce fleet costs.

In Fiscal Year 2011-2012, the total fleet annual budget was over \$880,000, with the average vehicle age of approximately 8 years with over 76,000 miles. The move to Enterprise will replace the aged existing fleet with new models and reduce the size of the fleet pool by allowing staff to rent additional vehicles from Enterprise daily as needed. The estimated fleet budget in future years will be approximately \$580,000, which includes approximately \$350,000 per year for the Enterprise contract, plus fuel, miscellaneous maintenance costs and administrative expenses. This represents an estimated savings of approximately \$300,000 per year.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The contract will be funded with a total of up to \$1,750,000 in Commission and Housing Authority program funds over a five-year period, of which \$1,450,000 will be funded by the Housing Authority, and the remaining \$300,000 will be funded by the Commission. Funding will be included in the Housing Authority's Fiscal Year 2012-2013 annual budget being presented to the Board in June. Funds for future years will be requested through the Commission and the Housing Authority's annual budget process.

A ten percent contingency over the five years, in the amount of \$175,000, is being set aside for unforeseen costs, with a portion of this from Housing Authority administrative funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract with Enterprise will be executed by the Commission, which manages the fleet for both the Commission and the Housing Authority. On February 22, 2012, the Housing Commission recommended approving the use of Housing Authority administrative funds for the proposed contract with Enterprise.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Enterprise contract will replace current aged agency vehicles and/or a vehicle maintenance program at a substantially lower annual cost to the Commission and Housing Authority.

The Honorable Board of Supervisors

3/6/2012

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:KRS:rj